- In the Union Budget 2006-07, the Government categorised domestic LPG as 'declared goods' under Sales Tax Act. This will reduce the sales tax/VAT levied by States to 4%. This is also expected to marginally reduce the under-recoveries of oil marketing companies without increasing retail selling prices of domestic LPG
- In view of losses/under-recoveries suffered by Oil Marketing Companies (OMCs) in marketing LPG (domestic) and PDS Kerosene, during the financial year 2005-06, the Government has issued Bonds worth Rs. 11,500 crores to OMCs.

Price rise of crude oil in international market

†4051. SHRIMATI MAYA SINGH: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that as a result of price-rise of crude oil in the international market during the recent months, the Indian Oil Corporation is incurring heavy losses due to not increasing its prices in domestic market;

(b) if so, the percentage of price rise of crude oil in the international market during this period; and

(c) what is the percentage of burden, being borne by the Indian Oil Corporation thereby?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) Global prices of crude oil and petroleum products have been making new highs in the past two years. The international prices continue to spiral upwards unabated with Indian basket of crude oil having touched an all-time high of $ 71.13 per bbl on 2nd May 2006. This steep increase in prices in having major impact on the Oil Marketing Companies (OMCs) and Indian economy, as India imports about 76 percent of our crude oil requirement. The profit of Indian Oil Corporation Ltd. (IOCL) has declined substantially due to non-revision of prices in the domestic market in line with the increase in the international prices of crude oil. IOCL would have incurred heavy losses but for the subsidy sharing mechanism implemented by the Government by which

†Original notice of the question was received in Hindi.

the subsidies are shared also by the upstream companies and the Government.

(b) The percentage of price rise of crude oil in the international market during the period April, 2005 to April, 2006 is given below:

Indian Crude Basket

Period	Average monthly price in $/bbl	Percentage increase
April, 2005	49.43	35.85%
April, 2006	67.15	

(c) The percentage burden borne by Indian Oil Corporation on sensitive petroleum products during 2005-06 is as under:

Product	Gross Under Recovery (Rs. Crore)	Under Recovery Borne By IOC (Rs. Crore)	% Under Recovery Borne By IOC (%)
Petrol	946	371	39
Diesel	5,859	2,331	40
Kerosene	8,615	1,287	15
LPG	5,031	786	16
Total	20,451	4,775	23

New gas and oil discoveries

4052. SHRI T.R. ZELIANG: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of new gas and oil fields discovered in the country during the last three years, State-wise;

(b) whether any fund provision is kept for deep study on oil/mineral deposits in the country particularly in North East Region; and

(c) the effective measures beign taken or proposed to be taken by Government for exploration of oil and gas reserves areas in the country?

THE MINISTER OF STATE OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) The details of new gas arid oil fields discovered in the country during the last three years is annexed.